



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 March 5, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County Board of Supervisors

March 05, 2013

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Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF AMENDMENT TO CONCESSION CAFETERIA SERVICES AGREEMENT WITH MORRISON MANAGEMENT SPECIALISTS, INC. (2nd SUPERVISORAL DISTRICT) (4 VOTES)

SUBJECT

Request approval of amendment to extend the term of existing agreement for concession cafeteria services at Harbor-UCLA Medical Center.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute the attached Amendment No. 18 to Agreement No. H-211094 with Management Specialists, Inc., dba Morrison Health Care, Inc. (Morrison), effective upon approval by the Board, to extend the term of the Agreement for the period of April 1, 2013 through March 31, 2014, for the continued provision of concession cafeteria services at Harbor-UCLA Medical Center (H-UCLA MC), with estimated revenue of \$78,000.
2. Delegate authority to the Director, or his designee, to extend all the services under the agreement on a month-to-month basis for an additional six-month period at the same rates, effective April 1, 2014 through September 30, 2014.

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community and university partners.



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendations will allow for the continued provision of concession cafeteria services at H-UCLA MC. The current Agreement expires on March 31, 2013 and additional time is needed to complete an acquisition process. The contractor has agreed to the same terms and conditions, which includes all current County-mandatory contracting requirements for the proposed one-year extension.

On March 13, 2012 approval was requested, and your Board authorized, the extension of the County hospital's dietary and concession contracts in order to allow for the completion of an audit on the current contracts. Based on the audit's findings, the Department determined that an addendum to the RFP would be warranted to ensure clarity and to strengthen the terms and conditions in the RFP's sample agreement, in particular as it relates to clarifying how the services are to be categorized for purposes of allowable costs under the agreement.

At that time, DHS was confident that the RFP process could be completed in the timeframe authorized by your Board. However, DHS has been unable to release the RFP Addendum because the audit issues turned out to be more complicated than anticipated. Further, due to some of the hospitals being bond financed facilities, outside tax counsel has advised that the concession portion of the RFP needs to be modified to conform with IRS bond requirements. Therefore, because of the complications inherent in creating a new model for an existing service, in conjunction with issues related to the audit recommendations, more time to work with outside tax counsel to finalize a new payment structure for these contracts is needed so that DHS may complete the RFP.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Estimated revenue of \$78,000 for the concession cafeteria services for the one-year extension period is included in H-UCLA MC's Fiscal Year 2012-13 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Agreement may be terminated for convenience by the County in its sole discretion, with no less than thirty (30) days' written notice.

The Agreement has the current Living Wage language and the contractor is in compliance with the Living Wage Program. The Agreement also includes the latest Board policies.

County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommendations will allow for the continued provision of concession cafeteria services at H-UCLA MC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:jc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**CONCESSION SERVICES AGREEMENT
HARBOR-UCLA MEDICAL CENTER**

AMENDMENT NO. 18

This Amendment is made and entered into this ____ day of _____, 2013 by and between the COUNTY OF LOS ANGELES (hereafter "County"), and MORRISON MANAGEMENT SPECIALISTS INC., dba MORRISON HEALTH CARE, INC. (hereafter "Contractor").

WHEREAS, County owns and operates the facility known as Harbor-UCLA Medical Center located at 1000 West Carson Street, Torrance, California 90509, hereinafter referred to as "Medical Center"; and

WHEREAS, the Board of Supervisors is authorized by the provisions of Government Code Section 25536 to grant concessions therein that are consistent with the governmental purposes served thereby; and

WHEREAS, Concessionaire is willing to exercise the grant of such a concession in accordance with the terms and conditions prescribed therefore;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereby agree as follows:

1. This Amendment shall become effective upon approval by the Board of Supervisors.

2. Agreement Paragraph 3, TERM, Subparagraph 3.0.1, shall be deleted in its entirety and replaced by the following:

“3. TERM

3.01 The term of the Agreement shall commence on May 9, 2000, and shall continue in full force and effect to and including March 31, 2014 unless sooner canceled or terminated as provided herein. The Director of Health Services may extend the Agreement on a month-to-month basis for up to six months through September 30, 2014, under the same terms and conditions. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.”

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

MORRISON MANAGEMENT SPECIALISTS, INC.,
dba MORRISON HEALTH CARE, INC.
Contractor

Signature

By _____
Printed Name

Title _____

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL